

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CHARLIE'S MEDITERRANEAN CUISINE, a/k/a
RESTAURANT MANAGEMENT AND PROCUREMENT, LLC,
a Michigan limited liability company,

Plaintiff/Counter-Defendant,

v.

RESTAURANT PROPERTIES PITTSFIELD, LLC
a Michigan limited liability company,
RESTAURANT LEASING PITTSFIELD, LLC,
UNITED STATES OF AMERICA, and
STATE OF MICHIGAN, DEPARTMENT OF TREASURY,

Defendants/Counter-Plaintiffs,

v.

KHALIL BAZZI, an individual,
KAYED BAZZI, an individual and
SAM BAZZI, an individual,

Third Party Defendants.

Case No.: 2:08-cv-12074

Hon. Denise Page Hood

CONSENT JUDGMENT

Pursuant to the stipulation of the parties, and the Plaintiff having brought an action to Quiet Title under MCLA 600.2932, in the Circuit Court for the County of Washtenaw, Michigan, and the case having been removed to this Court by the United States pursuant to 28 USC 1444 and 1446, and upon stipulation of all the parties, except for the State of Michigan, that has been dismissed pursuant to a separate stipulation, and the Court being fully advised, it is ordered and adjudged as follows:

1. The option held by Plaintiff pursuant to the Agreement Regarding The Sale of Real Estate dated February 1, 2006, between the Plaintiff and Restaurant Properties Pittsfield,

LLC, (the "Option") which provides for the sale of real property commonly known as 2370 Carpenter Road, Ann Arbor, Michigan 48104, (hereinafter "the Real Property"), is deemed to have been exercised on April 1, 2008, for the purchase price of \$1,386,000 (the "Purchase Price"). The legal description of the Real Property is described as:

Beginning at a point on the east and west ¼ line of section 2, town 3 of south, range 6 east, Pittsfield Township, Washtenaw County, Michigan, said point being located south 87 degrees 52 minutes 57 seconds west 50.01 feet from the east ¼ corner of said section and lying on the west right-of-way line of Carpenter Road and running thence south 87 degrees 52 minutes 57 seconds west along to the west ¼ section line 311.43 feet to the east line of the new U.S. Highway 23, thence along said U.S. Highway 23 right-of-way line north 39 degrees 56 minutes 07 seconds east 187.60 feet; north 01 degree 16 minutes 38 seconds west 185-80 feet and north 55 degrees 41 minutes 07 seconds east 82.12 feet to the south line of Washtenaw Avenue; thence south 75 degrees 43 minutes 03 seconds east 124.89 feet along the said southerly right-of-way line to the west line of Carpenter Road; thence south 01 degrees 02 minutes 03 seconds east along the westerly right-of-way line of Carpenter Road, 333.20 feet to the point of beginning.

Permanent Parcel No: L-12-02-120-009

2. The loan obligation assigned to Restaurant Leasing Pittsfield, LLC by The Private Bank on or about July 9, 2008 (the "Loan Obligation") as evidenced by the following loan documents (the "Loan Documents"):

- Loan Agreement dated July 22, 2004 (the "Loan Agreement")
- Promissory Note dated July 22, 2004 (the "Note")
- Mortgage dated July 22, 2004 and recorded with the Washtenaw County Register of Deeds on August 18, 2004, at Liber 4417 and Page 827 (the "Mortgage")
- Security Agreement dated July 22, 2004 (the "Security Agreement")
- All Michigan UCC Financing Statements and Fixture filings as set forth on a Michigan UCC Search dated March 5, 2008 and/or as recorded in Liber 4417, Page 829, Washtenaw County Records (the "Financing Statements")
- Assignment of Leases and Rents dated July 22, 2005 and recorded with the Washtenaw County Register of Deeds on August 18, 2004 in Liber 4417 and Page 828 ("Assignment")

is valid and enforceable according to the terms of the Loan Documents. The amount outstanding and due to Restaurant Leasing Pittsfield under the Loan Documents is as follows:

\$1,263,155.49	- balance as of July 9, 2008
\$50,391.77	- interest to December 1, 2008
400.00	- late charges
43,458.50	- attorney fees
\$1,357,405.66	- Total Loan Obligation

The Loan Obligation shall increase at the per diem rate of \$352.39 and the total outstanding amount due against the Loan Obligation shall be paid on or before January 1, 2009.

3. Simultaneous with the execution of this Judgment, Plaintiff shall close on the Option and shall pay the following amounts (the "Total Consideration") as follows:

- (a) Plaintiff shall pay to the Internal Revenue Service an amount equal to the Purchase Price less (i) the amount due on the Loan Obligation and (ii) those credits referenced below for transfer tax and title insurance;
- (b) Plaintiff shall pay \$75,000 to the client trust account for the law firm of Kerr Russell and Weber, P.C. ("KR&W"). KR&W shall deduct and retain the sum of \$15,786.00 to satisfy all legal fees due it in connection with this case and the balance (i.e., \$59,214) shall be paid to the United States.

4. This Judgment is an instrument of conveyance within the meaning of MCLA 207.502(1)(b), and is subject to the imposition of the Michigan Real Estate Transfer Tax imposed upon the seller of Real Property pursuant to MCLA 207.502(2). All Michigan Real Estate Transfer Tax, calculated on a consideration of \$1,386,000, will be paid immediately upon entry of this Judgment by Plaintiff, and Plaintiff will receive credit for the amount of the Michigan Real Estate Transfer Tax against the purchase price of \$1,386,000.

5. Plaintiff will undertake the responsibility of Restaurant Properties Pittsfield, LLC, to provide a certificate of title insurance and Plaintiff will pay the premium for the title insurance policy insuring the title for \$1,386,000, simultaneous with entry of this Judgment, and Plaintiff

will receive credit for the amount of the premium for the title insurance against the purchase price of \$1,386,000.

6. Upon Plaintiff's payment of the Total Consideration and receipt by the Internal Revenue Service of its share thereof, the Internal Revenue Service is ordered to immediately issue Certificates of Discharge that discharge the Real Property and any personal property located thereon from all federal tax liens with respect to tax liabilities incurred by taxpayer Talal Chahine referenced in the Notices of Federal Tax Lien presently filed with the Washtenaw Register of Deeds and/or the Michigan Secretary of State. The Certificates of Discharge shall include Certificates of Discharge discharging the Real Property from the Notices of Federal Tax Lien filed on March 13, 2008 and March 21, 2008, with the Washtenaw County Register of Deeds at Liber 4672, Page 334 and Liber 4673, Page 675, respectively.

7. Upon payment of the Total Consideration described herein, fee simple absolute title to the Real Property and the personal property located thereon, is hereby quieted and vested in the Plaintiff, Charlie's Mediterranean Cuisine, aka Restaurant Management and Procurement, LLC, subject to the interests of Restaurant Leasing Pittsfield, LLC in the Loan Obligation and specifically subject to the Mortgage, Security Agreement and Financing Statements, Assignment and Loan Agreement which are ordered and adjudged to be a first lien on (a) the Real Property and (b) the personalty, if any, of Restaurant Properties Pittsfield, LLC located on the Real Property.

8. This Judgment may be filed with the Washtenaw County Register of Deeds to act as an instrument of conveyance of the title to the Real Property, which Real Property is more fully described in paragraph 1 of this Judgment.

9. The Real Property is hereby deemed discharged from the Notices of Federal Tax Lien filed on March 13, 2008 and March 21, 2008, with the Washtenaw County Register of Deeds at Liber 4672, Page 334 and Liber 4673, Page 675, respectively. These two Notices of Federal Tax Liens are deemed to be the only Notices of Federal Tax Liens that could presently encumber the Real Property.

10. The payment of the Total Consideration is in full satisfaction of (a) Plaintiff's obligations, if any, under the Notices of Levies served on it by the Internal Revenue Service with respect to tax liabilities incurred by taxpayer Talal Chahine, and (b) any obligations of Plaintiff or any of the Third Party Defendant to Talal Chahine, LaShish, Inc., LaShish Franchising, LLC, and Restaurant Properties, LLC, or any of their assignees or transferees including any obligations under the lease and addendums to the lease between Plaintiff and Restaurant Properties Pittsfield, LLC, dated February 1, 2006, any notes between LaShish, Inc., and Plaintiff, the Franchise Agreement between LaShish Franchising, LLC, and Plaintiff dated February 1, 2006. Plaintiff and the Third Party Defendants in this action, are hereby deemed to have fully honored, within the meaning of 26 USC 6332(e), the Notices of Levy served on it by the Internal Revenue Service relating to the tax liability of Talal Chahine, LaShish, Inc., LaShish Franchising, LLC, and Restaurant Properties Pittsfield, LLC, or any of their assignees or transferees.

11. The rights of LaShish, Inc., and LaShish Franchising, LLC, for any existing claims they have against Plaintiff or the Third Party Defendants are deemed to have been assigned to Defendant Restaurant Properties Pittsfield, LLC, and those claims and any existing claims by Restaurant Properties Pittsfield, LLC, against Plaintiff, and/or the Third Party Defendants are hereby deemed satisfied, released and extinguished.

12. All obligations under the lease between Plaintiff and Restaurant Properties Pittsfield, LLC, dated February 1, 2006, and any addendums to said lease are hereby deemed satisfied, released and extinguished and such lease is held for naught.

13. All obligations under the Franchise Agreement between Plaintiff and LaShish Franchising, LLC, is hereby deemed satisfied, released and extinguished.

14. The notes between Plaintiff and LaShish, Inc., are hereby deemed satisfied, released and extinguished and the original notes shall be returned.

15. All personal guarantees made by any person securing performance of the lease between Plaintiff and Restaurant Properties Pittsfield, LLC, the Franchise Agreement between Plaintiff and LaShish Franchising, LLC, and any and all notes and obligations between Plaintiff and LaShish, Inc., are hereby deemed satisfied, released and extinguished.

16. Except as provided herein, all claims that were made or could have been made by or against LaShish, Inc., LaShish Franchising, LLC, and Restaurant Properties Pittsfield, LLC, on the one hand, and by or against the Plaintiff or the Third Party Defendants, on the other hand, in the Complaint, Counterclaim and Third Party Claims filed in this case (and/or filed by Restaurant Properties Pittsfield, LLC, individually and as the assignee of LaShish, Inc., and LaShish Franchising, LLC), are released and discharged and are hereby dismissed with prejudice and without costs to any party.

17. All injunctions issued by this Court in this action are hereby revoked and dismissed immediately and any payments ordered to be made by Plaintiff in any other order in this action other than this Judgment, are suspended and discharged without any further liability to Plaintiff.

18. Restaurant Leasing Pittsfield, LLC, is ordered to indemnify Plaintiff for any payment Plaintiff may have to make by reason of the attorney lien filed by Richard L. McDonnell, Esq.

DENISE PAGE HOOD
U.S. District Judge

Approved as to Form and Substance:

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